

**Alcoa Inc.**

W. Scott Thumma
201 Isabella St Room 2B03
Pittsburgh, PA 15212-5858 USA
Tel: 1 412 553 4926
Fax: 1 412 553 4700

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FEDERAL MARITIME COMMISSION

July 28, 2003

Federal Maritime Commission
800 North Capitol Street
Washington DC 205 73
Attn: Hon. Steven R. Blust, Chairman

Re: UPS Application for ExemptionDear Chairman **Blust**:

Alcoa Inc. supports the petition of **UPS** for an exemption **under** Section 16 of the Shipping Act of 1984 for the purpose of **offering** service contracts to its shippers.

Alcoa **Inc** is engaged in the production of aluminum. In our business we ship approximately 25,000 **TEUs** and hundreds of **LCL** shipments annually in international ocean commerce. Our **freight** consists mainly of aluminum products in **full** containers, which originate from many US origins and are shipped to 52 countries, including the UK, Japan, Korea and Brazil.

Our principal customers **are** fabricators who will take our raw **material** and make finished products. To remain competitive in **our** industry, in addition to advantageous pricing, we offer our customers integrated **logistics** services including just-in-time deliveries and inventory management.

We have been a **UPS** shipper for approximately 5 years. The UPS service features that are most valuable to our business include rate and transit time options and alternatives to our own carrier base of contract carriers.

It would be beneficial to us if UPS were able to offer service contracts, **with** confidential time-volume rates and enhanced service features customized to our particular needs. While **UPS's** existing service **often** presents a good transportation solution, the ability to negotiate confidential rates for the ocean **portion** of our freight movements, coupled with **UPS's** end-to-end air or surface services in the USA, would enable **us** to get the most value for our shipping expenditures and enhance the specialized value-added features we could offer to our customers. This would allow us more flexibility in selecting suppliers and enable us to provide a more competitive product. This is very important to us in **light** of intense price and service pressure we face **from our** foreign competitors,

Accordingly, we **support** the **UPS** petition, and we request the Commission to grant it.

Sincerely yours:

W. Scott Thumma
Alcoa, Inc.
Manager, International Transportation